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C O N F I D E N T I A L SECTION 01 OF 02 KABUL 002933

SIPDIS

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TAGS: <u>ENRG EAID SENV ECON PREL AF</u>

SUBJECT: AFGHAN GOVERNMENT REQUESTS TRANSBOUNDARY WATER

TRAINING

REF: A. KABUL 2715 _B. KABUL 2688 _C. KABUL 561

Classified By: CDDEA Ambassador E. Anthony Wayne, reasons $1.4\ (b)$ and (d)

11. (C) Summary: After years of official reluctance to negotiate with its neighbors on transboundary water issues, Afghan government officials received the go-ahead from President Karzai to discuss capacity building for government negotiators. Before donors begin large-scale irrigation, drinking water, or hydropower projects, Afghan officials should be encouraged to open preliminary discussions with neighbors and trained to undertake formal negotiations. Should proposed domestic projects result in changed waterflows without having the necessary agreements in place, Afghanistan could risk problems with downstream neighbors Iran, Pakistan, Turkmenistan, and Uzbekistan. International donors are attempting to coordinate capacity-building efforts in this area and will continue efforts to foster good policy preparation by Afghan officials. End summary.

Afghan Government Recognizes Need for Training

- 12. (SBU) High-level officials, including President Karzai, have recently publicly called for increased exploitation of Afghanistan's water resources (ref B). Donors, however, are responding cautiously because of transboundary political ramifications. In a September 6, 2009 meeting, Ministry of Foreign Affairs (MFA) Director of Regional Affairs Enayatullah Nabiel said his government is sensitive to the possible repercussions of water projects which could affect downstream neighbors Iran, Pakistan, Turkmenistan, and Uzbekistan. Nabiel told Econoffs the Minister of Foreign Affairs recently received permission from President Karzai to begin preparing for transboundary water negotiations.
- 13. (C) Director Nabiel seemed optimistic about the strength of Afghanistan's negotiating position as the upstream country. He noted Afghanistan wants to be fair, but has considered charging downstream neighbors for water. Nabiel emphasized the need for Afghan capacity building in international negotiations. Donors have long proposed training programs in water data collection and international water rights law and negotiations for diplomats and technicians. Nabiel is not alone in his optimism. In a separate meeting, Deputy Minister of Energy and Water Shojauddin Ziaie told donors the Afghan government expects no difficulties with Helmand basin water projects because "we have a treaty from the 70's with Iran;" Nabiel, who was also present, concurred. (Comment: Although complete data are not available, most sources agree Iran currently uses far more than was originally granted under the 1970's agreement and the Afghan government's faith in this agreement may be challenged if Iran suddenly finds itself receiving less water than it has for the past decades. End comment.)

Afghan Government Cooperation Still Limited

14. (C) Despite the MFA's new willingness to interact, it is still putting time-consuming and difficult constraints on USAID assistance.

It recently rejected a highly-qualified international water rights lawyer offered by USAID because he was not American. Nabiel specified that capacity building on transboundary water issues "must be American-led, because Americans can't be bought. Foreigners in international organizations tend to favor their own country." As to whether USG involvement might be detrimental in dealing with Iran, Nabiel said, "Afghans will do the actual negotiating, but Americans have to train us."

15. (C) The Afghan government is open to assistance from other countries as well. The British Embassy and its international aid organization DFID are in the initial stages of funding an office in the Afghan MFA to cover regional issues -- including trade and transboundary water -- collocating officials from relevant ministries in the MFA and providing international advisor assistance. UNAMA has offered to provide information on UNESCO training courses and upcoming regional conferences. Extensive experience and expertise are available from various sources, including a number of EU missions. The challenge will be cohesively combining these resources and getting Afghan government buy-in. USAID has placed a technical advisor with the Ministry of Energy and Water who will be tasked, in part, with coordinating donor efforts on transboundary water capacity building.

Repercussions of Mistakes Potentially Serious

16. (C) World Bank representatives, UNAMA, and friendly diplomatic missions share with us concerns over possible fallout from mishandled water negotiations. Potential retaliatory actions vary by downstream country, but all could be damaging to Afghanistan's economic

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development. Afghan officials have been reluctant to open transboundary water discussions with neighbors because, as an upstream country, they saw little to gain from negotiations. Afghanistan is not "upstream" in terms of trade or energy, however, and its neighbors hold the cards in those sectors. In other contexts, the Afghan government recognizes this vulnerability. Director Nabiel told Poloffs political and economic realities make it impossible for Afghanistan to criticize Iran's nuclear program. Nearly two million Afghans live in Iran, half of whom are undocumented, and in the past Iran has cracked down on Afghan refugees and expelled undocumented workers (ref A). Nabiel also cited the threat of trade interruptions, water issues, and port access as reasons that the Afghan government could not take a strong public stance against Iran's nuclear ambitions. With Iran currently facing water rationing and droughts, disagreements over water could be equally damaging to relations.

Comment

17. (C) Afghan capacity-building and training on transboundary water issues should start in parallel with initial steps (design, environmental assessment, and bid tendering) of signature hydro projects. As Afghanistan's ambitions and donors' plans for hydro projects raise warning flags in the region, the USG and other donors should encourage the Afghan government to open discussions with its neighbors to reinforce regional cooperation, security, and prosperity. Donors have committed to strengthen Afghan data collection and analysis capacity which, in turn, will support regional dialogue. UNAMA, USG, and UK officials in Kabul have agreed to support Afghan officials' participation in regional water symposia as part of our broader efforts to spur cooperation among Afghan scientists and their counterparts. End comment.

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